same terms and conditions as the existing Portfolios.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. The Account will be established as one or more separate cash accounts on behalf of the Portfolios with the Custodian. The Portfolios may deposit daily all or a portion of their uninvested net cash balances into the Account. The Account will not be distinguishable from any other accounts maintained by a Portfolio with the Custodian except that monies from the various Portfolios will be deposited in the Account on a commingled basis. The Account will not have any separate existence with indicia of a separate legal entity. The sole function of the account will be to provide a convenient way of aggregating individual transactions that would otherwise require management by each Portfolio of its cash balances.

2. Cash in the Account will be invested solely in repurchase agreements, ''collateralized fully'' as defined in rule 2a–7 under the Act and satisfying the uniform standards set by the Portfolios for such investments.

3. All repurchase agreements entered into by the Portfolios through the Account will be valued on an amortized cost basis. Each Portfolio relying upon rule 2a–7 for valuation of its net assets on the basis of amortized cost will use the average maturity of the repurchase agreements purchased by the Portfolios participating in the account for the purpose of computing the Portfolio's average portfolio maturity with respect to the portion of its assets held in the account on that day.

4. In order to assure that there will be no opportunity for one Portfolio to use any part of the balance of the Account credited to another Portfolio, no Portfolio will be allowed to create a negative balance in the Account for any reason, although each Portfolio will be permitted to draw down its pro rata share of the entire balance at any time. Each Portfolio's decision to invest through the Account will be solely at the Portfolio's option, and no Portfolio will be obligated to invest through, or to maintain a minimum balance in, the Account. In addition, each Portfolio will retain the sole rights of ownership of any of its assets invested in the Account, including interest payable on the assets. Each Portfolio's investment in the account will be documented daily on the books of the Portfolio as well as on the Custodian's books.

5. Each Portfolio will participate in the income earned or accrued in the Account, including all investments held by the Account, on the basis of the percentage of the total amount in the Account on any day represented by its share of the Account.

6. The Adviser will administer, manage, and invest the cash balance in the Account in accordance with and as part of its duties under the existing or any future investment advisory contracts with each Portfolio. The Adviser will not collect any additional or separate fee for the administration of the Account.

7. The Portfolios and the Adviser will enter into an agreement to govern the arrangements in accordance with the foregoing representations.

8. The administration of the Account will be within the fidelity bond coverage required by section 17(g) of the Act and rule 17g–1 thereunder.

9. The Board of Directors of each Portfolio participating in the Account will evaluate the Account arrangements annually and will authorize the continued participation in the Account only if it determines that there is a reasonable likelihood that such continued participation would benefit the Portfolio and its shareholders.

10. Substantially all repurchase transactions will have an overnight, over-the-weekend or over-a-holiday maturity, and in no event would a transaction have a maturity of more than seven days.

11. All joint repurchase transactions will be effected in accordance with Investment Company Act Release No. 13005 (Feb. 2, 1983) and with other existing and future positions taken by the SEC or its staff by rule, interpretive release, no-action letter, any release adopting any new rule, or any release adopting any amendments to any existing rule.

12. Any investment made through the Account will satisfy the investment policies or criteria of all Portfolios participating in that investment.

For the SEC, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–605 Filed 1–10–95; 8:45 am]

BILLING CODE 8010–01–M

[Investment Company Act Rel. No. 20818; 812–9412]

Kidder, Peabody Investment Trust, et al.; Notice of Application

January 4, 1995.

AGENCY: Securities and Exchange Commission (''SEC'').

ACTION: Notice of application for Exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: Kidder, Peabody Investment Trust (''KPIT''); Kidder, Peabody Investment Trust II (''KPIT II''); Kidder, Peabody Investment Trust III (''KPIT III''); Kidder, Peabody Municipal Money Market Series; Kidder, Peabody California Tax Exempt Money Fund; Kidder, Peabody Premium Account Fund; Kidder, Peabody Equity Income Fund, Inc.; Kidder, Peabody Government Income Fund, Inc.; Kidder, Peabody Government Money Fund, Inc.; Kidder, Peabody Cash Reserve Fund, Inc.; Kidder, Peabody Tax Exempt Money Fund, Inc.; Institutional Series Trust; and Liquid Institutional Reserves (the ''Funds''); Kidder, Peabody Asset Management, Inc. (''KPAM''); Emerging Markets Management (''EMM''); GE Investment Management Incorporated (''GEIM''); George D. Bjurman & Associates (''GDB&A''); and Strategic Fixed Income, L.P. (''SFI'') (EMM, GEIM, GDB&A, and SFI together, the ''Subadvisers''); PaineWebber Incorporated (''PWI''); Mitchell Hutchins Asset Management Inc. (''MHAM''); and Mitchell Hutchins Institutional Investors Inc. (''MHII,'' and together with MHAM, ''Mitchell Hutchins'') (Mitchell Hutchins, together with PWI, KPAM and the Subadvisers are collectively referred to herein as the ''Advisers'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) for an exemption from section 15(a).

SUMMARY OF APPLICATION: Paine Webber Group Inc. (''PaineWebber'') has agreed to purchase the investment advisory business of Kidder, Peabody Group Inc. The transaction will result in the assignment, and thus the termination, of existing investment advisory and subadvisory contracts of the applicant investment companies. Applicants seek an order to permit the implementation, without shareholder approval, of interim investment advisory and subadvisory contracts, during a period of up to 120 days following the closing of the transaction. The order also will permit the applicant investment advisers to receive from the applicant investment companies fees earned under the interim investment advisory contracts following approval by the investment companies' shareholders.

FILING DATE: The application was filed on January 4, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's

Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 26, 1995, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549. Applicants, Mitchell Hutchins Asset Management Inc., 14th Floor, 1285 Avenue of the Americas, New York, New York 10019; all other applicants, c/o Arthur J. Brown, Esq., Kirkpatrick & Lockhart, South Lobby—9th Floor, 1800 M Street, NW., Washington, D.C. 20036–5891.

FOR FURTHER INFORMATION CONTACT: Marc Duffy, Senior Attorney, at (202) 942–0565, or C. David Messman, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. The Funds are registered open-end management investment companies. The Advisers are registered as investment advisers under the Investment Advisers Act of 1940 (the ''Advisers Act''). The Funds each have entered into an investment advisory agreement with KPAM under which KPAM provides advisory and management services to the Funds (the ''Advisory Agreements''). Certain of the Funds also have entered into subadvisory agreements with the Subadvisers and KPAM (the ''Subadvisory Agreements,'' and together with the Advisory Agreements, the ''Prior Agreements'').[1]

2. KPAM is a wholly-owned indirect subsidiary of Kidder, Peabody Group Inc. (''Kidder''). Kidder is a wholly-owned indirect subsidiary of General Electric Company (''General Electric'').

3. MHAM and MHII serve as investment advisers to investment companies and non-investment company clients. MHAM and MHII are wholly-owned subsidiaries of PWI. PWI is a registered investment adviser under the Advisers Act. PWI is wholly owned subsidiary of PaineWebber, a publicly held financial services holding company.

4. On October 17, 1994, PaineWebber entered into an asset purchase agreement with General Electric and Kidder (the ''Asset Purchase Agreement''). PaineWebber agreed to purchase certain assets of Kidder (the ''Kidder Assets'') for cash and other consideration (the ''Transaction''). PaineWebber has arranged for Mitchell Hutchins to undertake the investment advisory services now provided to the Funds by KPAM. Applicants intend to transfer the investment advisory business concurrently with the transfer of the retail operations and brokerage staff on January 29, 1995.

5. At special meetings held on November 1, 1994, November 2, 1994, and December 16, 1994, the respective Boards of Trustees/Directors of the Funds (the ''Boards'') met to discuss the Transaction. During those meetings, the Boards, including a majority of the Board members who are not ''interested persons,'' as that term is defined in the Act (the ''Independent Directors''), of the respective Funds, with the advice and assistance of counsel to the Independent Directors, made a full evaluation of the interim investment advisory agreements between the Funds and Mitchell Hutchins and the interim subadvisory agreements among Mitchell Hutchins, the Subadvisers, and certain of the Funds (the ''Interim Agreements''). In accordance with section 15(c) of the Act, the Boards voted to approve the Interim Agreements. The Boards of each Fund also voted to recommend that shareholders of the Fund approve the Interim Advisory and Subadvisory Agreements, as well as a new advisory agreement with PWI or Mitchell Hutchins and, where applicable, new subadvisory agreements with the Subadvisers.

6. Applicants seek an exemption from section 15(a) of the Act to permit the implementation, without shareholder approval, of the Interim Agreements. The exemption would cover the period commencing on the date of the transfer of the existing investment advisory and subadvisory agreements and continuing through the date new advisory and subadvisory agreements are approved or disapproved by shareholders of the respective Funds, which period shall be no longer than 120 days (the ''Interim Period'').

7. In approving the Interim Agreements, the Boards, including a majority of the Independent Directors, concluded that payment of the advisory and subadvisory fees during the Interim Period would be appropriate and fair because the fees to be paid are unchanged from the fees paid under the Prior Agreements, the fees would be maintained in an interest-bearing escrow account until payment is approved or disapproved by shareholders, and the nonpayment of fees would be inequitable to PaineWebber, Mitchell Hutchins, and the Subadvisers in view of the substantial services to be provided by such companies to the Funds, and the expenses incurred by such companies.

8. Applicants believe that delaying the closing of the Transaction until shareholders of all of the Funds could vote on new advisory agreements would result in substantial defections by portfolio managers, advisory employees, and supervisory personnel. These defections could significantly impair the value of the Kidder Assets and significantly damage the Funds and their shareholders. Thus, applicants believe that the requested relief, which will permit the Transaction to close sooner than otherwise would be possible, is in the best interests of the Funds and their shareholders.

Applicants' Legal Conclusions

1. Section 15(a) prohibits an investment adviser from providing investment advisory services to an investment company except under a written contract that has been approved by a majority of the voting securities of such investment company. Section 15(a) further requires that such written contract provide for its automatic termination in the event of an assignment. Under section 2(a)(4) of the Act, an assignment includes any direct or indirect transfer of a contract by the assignor.

2. The transfer of Kidder's investment advisory business, as contemplated by the Asset Purchase Agreement, will result in an ''assignment'' within the meaning of section 2(a)(4) of the Act, of the Prior Agreements. Consistent with section 15(a), therefore, each such agreement will terminate by its terms.

3. Rule 15a–4 provides, among other things, that if an investment adviser's investment advisory contract is terminated by assignment, the investment adviser may continue to act as such for 120 days at the previous compensation rate if a new contract is approved by the board of directors of

[1] The Subadvisory Agreements relate to the following Subadvisers and Funds: EMM, with respect to the Kidder, Peabody Emerging Markets Equity Fund series of KPIT II; GEIM, with respect to Kidder, Peabody Global Equity Fund, the Kidder, Peabody Municipal Bond Fund series of KPIT II, and the Kidder, Peabody Intermediate Fixed Income Fund series of KPIT; GDB&A, with respect to the Kidder, Peabody Small Cap Equity Fund series of KPIT III; AND SFI, with respect to the Kidder, Peabody Global Fixed Income series of KPIT.

the investment company, and if the investment adviser or a controlling person of the investment adviser does not directly or indirectly receive money or other benefit in connection with the assignment. Because General Electric will receive a benefit in connection with the assignment of the contracts, applicants may not rely on rule 15a-4.

4. Applicant's believe that the requested relief will allow the Funds to continue to operate on an orderly basis until the shareholders have the opportunity to consider new investment advisory agreements. The 120 day Interim Period will facilitate the orderly and reasonable consideration of the new agreements.

5. Section 6(c) of the Act provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants believe that the requested relief meets this standard.

Applicants' Conditions

Applicants agree as conditions to the requested exemptive relief that:

1. The Interim Agreements will have the same terms and conditions as the Prior Agreements.

2. Fees earned by the Mitchell Hutchins and the Subadvisers and paid by a Fund during the Interim Period in accordance with the Interim Agreements will be maintained in an interest-bearing escrow account, and amounts in such account (including interests earned on such paid fees) will be paid to Mitchell Hutchins and the Subadvisers only upon approval of the Fund shareholders or, in the absence of such approval, to the respective Funds.

3. The Funds will hold meetings of shareholders to vote on approval of new investment advisory or sub-advisory agreements, as the case may be, on or before the 120th day following the termination of the Prior Agreements.

4. General Electric or a subsidiary thereof, and PWI or a subsidiary thereof, will share equally the cost of preparing and filing this application. General Electric or a subsidiary thereof will pay the costs relating to the solicitation of the approvals of the Funds' shareholders of the Interim Agreements necessitated by the Transaction.

5. Mitchell Hutchins and the Subadvisers will take all appropriate actions to ensure that the scope and quality of advisory and other services provided to the Funds under the Interim Agreements will be at least equivalent, in the judgment of the respective Boards, including a majority of the Independent Directors, to the scope and quality of services previously provided. In the event of any material change in personnel providing services under the Interim Agreements, Mitchell Hutchins and the Subadvisers will apprise and consult the Boards of the affected Funds to assure that such Boards, including a majority of the Independent Directors, are satisfied that the services provided by Mitchell Hutchins and the Subadvisers will not be diminished in scope or quality.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–606 Filed 1–10–95; 8:45 am]

BILLING CODE 8010–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. 27649]

Supplemental Draft Environmental Impact Statement (SDEIS); Effects of Changes of Aircraft Flight Patterns Over the State of New Jersey; Comment Period Extension and Public Hearing

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of comment period extension and public hearing.

SUMMARY: On September 30, 1994, the FAA issued a Supplement to the Draft Environmental Impact Statement (DEIS) to afford the public an opportunity to review and comment on (1) a proposed mitigation measure, (2) analysis on the proposal by the New Jersey Coalition Against Aircraft Noise (NJCAAN) to route aircraft departing Newark International Airport over the ocean twenty-four hours a day, and (3) other new and updated information developed in response to comments on the DEIS.

In response to requests from Federal State and local elected officials, FAA reopened the comment period on the SDEIS. On December 12, 1994, an additional 60 days was added extending the comment period through February 9, 1995.

In response to further requests, FAA is again extending the comment period through February 23, 1995. Additionally, a public hearing will be held in Toms River, New Jersey.

This additional hearing will facilitate comments by citizens potentially affected by the NJCAAN proposal, as described in the analysis contained in the SDEIS.

COMMENT PERIOD: The comment period is extended until February 23, 1995. The public hearing in Toms River will be held:

Date	Time/location
February 14.	1:00–4:00 pm, 7:00–10:00 pm, Holiday Inn, route 37 East, Toms River, NJ 08753.

Registration of speakers will begin approximately ½ hour before the start of each session. The afternoon and evening session will begin at 1 PM and 7 PM, respectively, and will continue until all scheduled speakers have testified or until 4 PM and 10 PM, respectively. All persons wishing to make oral presentations at the public hearing are strongly urged to provide a written copy of their statement at the hearing or at the FAA address provided in the paragraph below.

ADDRESSES: Written comments, in triplicate, must be received at the following address by February 23, 1955: Federal Aviation Administration, Office of the Chief Counsel: Docket Number 27649, 800 Independence Avenue S.W., Washington, DC 20591.

The FAA will consider and respond to all comments directly related to the scope of the SDEIA. The geographic scope delineated by Congress for the EIS is the environmental effects of the Expanded East coast Plan over the State of New Jersey and adjacent coastal waters. Please note, however, that the most useful comments are those which provide facts and analyses to support the reviewer's recommendations or conclusions on specific topics contained in the document. The FAA will consider comments received after the close of the comment period to the extent practical.

The FAA will issue a final EIS that will include corrections, clarifications and responses to comments on the SDEIS.

Issued in Washington, DC, on January 6, 1995.

John D. Canoles,

Acting Deputy Associate Administrator for Air Traffic.

[FR Doc. 95–682 Filed 1–6–95; 8:45 am]

BILLING CODE 4910–13–M

Aviation Rulemaking Advisory Committee Meetings

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of meetings.